

## **Evaluation of the Conflict Resolution Process in the Hgb Jalan Nibung Raya Case**

**J.E Melky Purba<sup>1</sup>, Indra Utama Tanjung<sup>2</sup>, Poppy Octaviona<sup>3</sup>.**

<sup>123</sup> Universitas Pembangunan Panca Budi

<sup>1</sup>[jemelky\\_purba@dosen.pancabudi.ac.id](mailto:jemelky_purba@dosen.pancabudi.ac.id), <sup>2</sup>[indratj@dosen.pancabudi.ac.id](mailto:indratj@dosen.pancabudi.ac.id).

---

### **Abstract**

This research examines the land takeover process by the Medan City Government on Jalan Nibung Raya, which is regulated by Building Use Rights (HGB), and how the policy transition from HGB to a five-year rental system affects the rights holders as well as the existing social and legal dynamics. Using a qualitative approach and case studies, this research identifies problems in the implementation of existing regulations, including the resulting social and economic impacts, as well as communication and coordination challenges between PEMKO Medan, the Land Office and the community. This research suggests the importance of enhanced dialogue and more participatory processes to ensure justice and legal certainty for all parties involved. The results of this research contribute to a better understanding of the complexity of urban land management and the role of regulation in guiding social and legal dynamics.

**Keywords:** Building Use Rights (HGB), Land Acquisition, Public Policy, Legal Certainty

---

### **INTRODUCTION**

Land expropriation by the government has become a controversial issue in the context of public policy and land law in Indonesia. One case that is currently attracting attention is the Medan City Government's plan to take over land on Jalan Nibung Raya, which is currently regulated by Building Use Rights (HGB). The Medan City Government's decision not to extend the HGB and instead wish to manage it themselves has given rise to a number of conflicts, both from a legal and social perspective.

The city of Medan, as one of the centers of economic growth in North Sumatra, has experienced rapid changes in the last few decades. Urban transformation, industrial growth, and population migration have influenced the city's land use map. One of the challenges that arises as a result of these dynamics is land control conflicts, one of which is related to the Building Use Rights (HGB) case on Jalan Nibung Raya.

The takeover of land by the Medan city government (Pemko) has become a hot topic. Land as a limited resource has economic, social and cultural value. Moreover, in the urban context, land is a strategic asset for the development of infrastructure and public facilities. However, in the expropriation process, problems often arise regarding the land owner's rights, compensation, and the conflict resolution methods used.

According to Law no. 2 of 2012 concerning Land Acquisition for Development in the Public Interest, land acquisition must be carried out with the principles of justice, legal certainty and benefits for the welfare of the community. (UU no. 2 of 2012) However, in practice, the land expropriation process often does not run smoothly. Various previous studies have shown that land conflicts are often caused by unclear land status, discrepancies in compensation, and land owner dissatisfaction with the ongoing process. (Sutaryo, W. 2017)

In the case of the Jalan Nibung Raya HGB, these issues have come to the surface again. Not only talking about economic values, this conflict also touches on the social and cultural aspects of the local community. The people who live in these locations have history, traditions and emotional eternity with the land they occupy. Therefore, conflict resolution must pay attention to these aspects in order to find a fair and just solution.

In the Indonesian context, Building Use Rights (HGB) is a land right that allows a person or legal entity to build and own buildings on land that is not owned by them for a certain period of time. By understanding the legal basics of HGB management, we can better understand the context and complexities that arise in the case of land expropriation on Jalan Nibung Raya. There are several legal bases regarding HGB, including:

1. Basic Agrarian Law (UUPA) No.5 of 1960

UUPA is the main basis for land regulation in Indonesia. Article 41 of the UUPA regulates HGB. In this article it is stated that HGB is the right to build and own buildings on land that is not owned by them, which is granted by the right holder for a certain period of time. (UUPA. 1960) This differentiates HGB from Hak Milik, which is the strongest right to land, and has no time limit.

2. Government Regulation (PP) no. 40 of 1996 concerning Business Use Rights, Building Use Rights and Land Use Rights

This PP further regulates the granting, renewal, registration and termination of HGB. One of the important provisions in this PP is that the HGB period is given a maximum of 30 years and can be renewed for the next 20 years. (UUPA. 1960) Apart from that, land with HGB status can be mortgaged and become the object of other transactions.

3. Law no. 2 of 2012 concerning Land Acquisition for Development in the Public Interest

Although this law specifically regulates land acquisition, it is also relevant to the management of HGB, especially in the context of land expropriation by the government. This law emphasizes the principles of justice, legal certainty and benefits for community welfare in the process of taking over land, including land with HGB status.

Looking at the legal basis above, it is clear that HGB arrangements have their own complexities. On the one hand, HGB holders have the right to build and own buildings on the land. On the other hand, HGB status has a time limit, so it can cause lighting in the future.

In the context of the Jalan Nibung Raya case, this legal basis is important to pay attention to. Is the land acquisition process by the Medan City Government in accordance with existing regulations? Have the rights of HGB holders been respected? What is the compensation mechanism provided? All these questions must be addressed through the lens of existing law to ensure justice and legal certainty for all parties involved. Jalan Nibung Raya, which has long been managed by the private sector through Building Use Rights (HGB), is in the public spotlight. The interaction between private and public interests often gives rise to various dynamics, including social issues that emerge from this process. Some of these problems:

1. Duration of Private Management

As a start, it is important to understand how long Jalan Nibung Raya has been managed by the private sector. The duration of this management can reflect the extent to which local communities have become accustomed to the presence and management of the private sector. In certain cases, long periods of management by the private sector can affect people's perceptions and expectations of the area.

2. Public Perception

With private management during a certain period, the public may have had certain perceptions. Some people may feel that the private sector has provided benefits to local communities, for example in the form of better infrastructure or jobs. Meanwhile, there are also those who may feel that private management provides less benefit to the wider community and tends to prioritize profits.

3. Reasons for Takeover by Medan City Government

One of the main reasons why the Medan City Government wants to take over the management of Jalan Nibung Raya is so that the area can be managed by the city government itself. This could be interpreted as an attempt to control certain aspects of the region, from infrastructure development to resource management.

Providing management transfer from the private sector can also be interpreted as an effort by the city government to ensure that the profits and benefits from managing the area can be enjoyed by the wider community, and not just by a few parties. This could be a response to public criticism or complaints about how the area was previously managed.

Apart from that, by taking over management, the Medan City Government also has the opportunity to carry out reconstruction and revitalization of the area, which may be difficult to do as long as the area is managed by the private sector.

## METHOD

The research entitled "Land Takeover by Medan City Government: Evaluation of the Conflict Resolution Process in the HGB Case on Jalan Nibung Raya" uses a qualitative approach and case study

design to explore perceptions and dynamics on Jalan Nibung Raya. Data collection methods include in-depth interviews with key informants, direct observation, and collecting relevant documentation. Data analysis will be carried out thematically with validation through triangulation to ensure the accuracy of the findings. This research emphasizes strict ethics, including informed consent, confidentiality, and voluntary participation, to gain a comprehensive understanding of the impact of land expropriation by the Medan City Government. Zainuddin. 2014)

## **RESULTS AND DISCUSSION**

### **A. Legal Basis for Building Use Rights (HGB) and Its Application**

#### **1. Law Number 5 of 1960 concerning Basic Regulations on Agrarian Principles**

##### **Article 35**

- (1) Building use rights are the right to construct and own buildings on land that is not one's own, with a maximum period of 30 years.*
- (2) At the request of the right holder and taking into account the needs and condition of the buildings, the period referred to in paragraph (1) can be extended for a maximum period of 20 years.*
- (3) Building use rights can be transferred and transferred to other parties.*

##### **1. Article 36 paragraph (1)**

Those who can have building use rights are:

- a. Indonesian citizens;*
- b. A legal entity established according to Indonesian law and domiciled in Indonesia.*

##### **2. Article 37**

Building use rights occur:

- a. Regarding land controlled directly by the State due to government determination;*
- b. Regarding land owned by an authentic agreement between the owner of the land concerned and the party who will obtain the right to use the building, which intends to give rise to that right.*

##### **3. Article 38**

- (1) Building use rights, including the conditions for granting them, as well as any transfer and deletion of these rights must be registered.*
- (2) The registration referred to in paragraph (1) is a strong means of proof regarding the deletion of building use rights and the legality of the transfer of said rights, except in the case of the right being extinguished because the term has expired.*

##### **4. Article 39**

Building use rights can be used as collateral for debts by encumbering them with mortgage rights.

##### **5. Article 40**

Building use rights are removed because:

- a. the term expires;*
  - b. terminated before the term ends because a condition is not met;*
  - c. released by the rights holder before the term expires;*
  - d. revoked in the public interest;*
  - e. neglected;*
  - f. the land is destroyed;*
  - g. provisions in article 36 paragraph (2).*
- #### **2. Government Regulation Number 40 of 1996 concerning Business Use Rights, Building Use Rights and Land Use Rights**
- ##### **Article 19 paragraph (1)**
- Those who can become Building Use Rights holders are:
- a. Indonesian citizens;*
  - b. A legal entity established according to Indonesian law and domiciled in Indonesia.*
- ##### **6. Article 20**

- (1) *Holders of Building Use Rights who no longer meet the requirements as intended in Article 19 are obliged within a period of one year to release or transfer their rights to the land to another party who meets the requirements.*
- (2) *If within the time period as intended in paragraph (1) the rights are not released or transferred, the rights are terminated by law.*

7. Article 21

The land that can be granted with Building Use Rights is:

- a. *State Land;*
- b. *Land Management Rights;*
- c. *Freehold Land.*

8. Article 22

- (1) *Building use rights on state land are granted by a decision granting rights by the Minister or appointed official.*
- (2) *Building Use Rights on Land Management Rights are granted by a decision granting rights by the Minister or an appointed official based on the recommendation of the Management Rights holder.*
- (3) *Provisions regarding the procedures and conditions for applications and awards are further regulated by Presidential Decree.*

9. Article 23

- (1) *The granting of building use rights as intended in Article 22 is registered in the land book at the Land Office.*
- (2) *Building Use Rights on State land or Management Rights land exist from the moment they are registered by the Land Office.*
- (3) *As proof of rights, building use rights holders are given a land rights certificate.*

10. Article 25

- (1) *Building Use Rights as intended in Article 22 are granted for a maximum period of thirty years and can be extended for a maximum period of twenty years.*
- (2) *After the term of the Building Use Rights and its extension as intended in paragraph (1) ends, the former right holder can be granted a renewal of the Building Use Rights on the same land.*

11. Article 26

- (1) *Building use rights on state land as intended in Article 22, at the request of the right holder, can be extended or renewed, if they meet the following conditions:*
  - a. *The land is still being used properly in accordance with the circumstances, nature and purpose of granting the rights;*
  - b. *terms giving right the fulfilled properly by the rights holder; And*
  - c. *the rights holder still meets the requirements as a rights holder as intended in Article 19.*
  - d. *The land is still in accordance with the relevant Regional Spatial Plan.*
- (2) *Building Use Rights over Management Rights land are extended or renewed at the request of the Building Use Rights holder after obtaining approval from the Management Rights holder.*

12. Article 27

- (1) *The application for an extension of the term of the Building Use Rights or its renewal is submitted no later than two years before the end of the Building Use Rights or its extension.*
- (2) *The extension or renewal of building use rights is recorded in the land book at the Land Office.*
- (3) *Provisions regarding the procedures for applying for an extension or renewal of Building Use Rights and the requirements are further regulated by Presidential Decree.*

13. Article 30

Building Use Rights Holders are obliged to:

- a. *Pay income money, the amount and method of payment of which is determined in the decision on granting rights;*
- b. *Use the land in accordance with its designation and requirements as stipulated in the decision and grant agreement;*
- c. *Maintain the land and buildings on it well and preserve the environment;*

- d. Hand over the land granted with Building Use Rights to the State, the holder of Management Rights over the Ownership Rights holders after the Building Use Rights have been removed;*
- e. Submit the certificate of Building Use Rights that has been removed to the Head of the Land Office.*

14. Article 31

If the Building Use Rights land, due to geographical or environmental conditions or other reasons, is located in such a way that it encloses or closes the yard or other plot of land from public traffic or waterways, the Building Use Rights holder is obliged to provide an exit or waterway or other convenience for the yard or the confined plot of land.

15. Article 32

The holder of Building Use Rights has the right to control and use the land granted with Building Use Rights for a certain period of time to construct and own buildings for personal or business purposes and to transfer these rights to other parties and encumber them.

16. Article 35

*(1) Building Use Rights are removed because:*

- a. Expiration of the term as stipulated in the award or extension decision or in the award agreement;*
- b. Canceled by the authorized official, Management Rights holder or Ownership Rights holder before the term ends, because:*
  - 1) Failure to fulfill the rights holder's obligations and/or violation of the provisions as intended in Article 30, Article 31 and Article 32; or*
  - 2) Failure to fulfill the conditions or obligations contained in the agreement granting Building Use Rights between the Building Use Rights holder and the Ownership Rights holder or land use agreement with Management Rights; or*
  - 3) Court decisions that have permanent legal force;*
- c. released voluntarily by the rights holder before the term expires;*
- d. revoked based on Law Number 20 of 1961;*
- e. neglected;*
- f. the land is destroyed;*
- g. provisions of Article 20 paragraph (2).*

3. Government Regulation Number 27 of 2014 concerning Management of State/Regional Property  
Article 1 number 11

Rental is the use of State/Regional Property by another party for a certain period of time and receiving cash compensation.

17. Article 29 paragraphs (1), (2), (3) and (5)

- (1) State/Regional Property can be rented to other parties.*
- (2) The rental period for State/Regional Property is a maximum of 5 (five) years and can be extended.*
- (3) The rental period for State/Regional Property as referred to in paragraph (2) can be more than 5 (five) years and can be extended for:*
  - a. Infrastructure cooperation;*
  - b. Activities with business characteristics that require a rental period of more than 5 (five) years; or*
  - c. otherwise specified in the Law.*

(5) Amount of Rental for State/Regional Property for infrastructure cooperation as intended in paragraph (3) letter a or for activities with business characteristics that require a rental period of more than 5 (five) years as intended in paragraph (3) letter b can consider the economic value of each type of infrastructure.

4. Minister of Home Affairs Regulation Number 19 of 2016 concerning Guidelines for Management of Regional Property

Article 1 number 33

Rental is the use of regional property by another party for a certain period of time and receiving cash compensation.

18. Article 114



- (1) *The rental period for regionally owned goods is a maximum of 5 (five) years from the signing of the agreement and can be extended.*
- (2) *The rental period for regionally owned goods as intended in paragraph (1) can be more than 5 (five) years and can be extended for:*
  - a. *infrastructure cooperation;*
  - b. *activities with business characteristics that require a rental period of more than 5 (five) years; or*
  - c. *otherwise specified in the Law.*
- (3) *The rental period for regionally owned goods for activities with business characteristics that require more than 5 (five) years as intended in paragraph (2) letter b is carried out based on the calculation of the results of a review of the rental carried out by a competent party.*
- (4) *The rental period as intended in paragraph (1) can be calculated based on the rental periodicity which is grouped as follows:*
  - a. *per year;*
  - b. *per month;*
  - c. *per day; And*
  - d. *per hour.*
- (5) *The rental period for regionally owned goods in the framework of infrastructure cooperation as referred to in paragraph (2) letter a is a maximum of 10 (ten) years and can be extended 1 (one) time.*

Building Use Rights (HGB) in Indonesia, which are regulated explicitly in Law Number 5 of 1960 concerning Basic Regulations on Agrarian Principles, and further clarified through Government Regulation Number 40 of 1996, provide a legal framework for individuals or entities to hold and managing land that does not belong to them for development purposes. According to Article 35 of the UUPA, HGB gives individuals or legal entities the right to construct buildings on land that is not their own for a period of time that can be extended, with an initial duration of up to 30 years and the possibility of extension for up to an additional 20 years. These rights can be transferred to other parties, allowing for flexibility in ownership and management of the property.

Furthermore, subsequent articles in the UUPA and related regulations provide guidance regarding procedures for granting, extending, renewing and revoking HGB. For example, Article 38 states that all HGB-related transactions must be registered, providing legal certainty and transparency in ownership and transfer of rights. Meanwhile Article 39 confirms that HGB can be used as collateral for debt, increasing its utility as a financial tool.

Apart from that, in the context of management and utilization of state or regional property, as regulated in Government Regulation Number 27 of 2014 and Minister of Home Affairs Regulation Number 19 of 2016, leasing is an important mechanism for the use of state or regional resources within a certain period of time. These two regulations stipulate that rental of state or regional property can be carried out for various periods and for various purposes, including infrastructure cooperation and business activities that require a rental period of more than five years.

The link between HGB and regulations on leasing state or regional property highlights flexibility in the use of land and property to support economic and infrastructure development. HGB, with its potential to be extended and renewed, as well as the ability to be used as collateral, becomes a valuable tool for private and public sector development. Meanwhile, leases, with varying terms and objectives, provide options for governments to optimize asset utilization while generating revenue or supporting development initiatives.

In a practical context, this understanding is important to assess how land designated for HGB can be integrated into regional spatial planning and developed in accordance with long-term development needs. This is especially relevant in cases such as the Medan Municipal Government's takeover of land on Jalan Nibung Raya, where the city government must balance development needs and the rights of existing HGB holders, by ensuring all actions comply with relevant legal provisions and benefit the wider community. .

## **B. Regulation of the Criminal Act of Spreading Fake News in the Legal System in Indonesia Evaluation of the Conflict Resolution Process in the Jalan Nibung Raya Hgb Case**

Building Use Rights are one of the other land rights regulated in the UUPA. According to the provisions of Article 35 UUPA that is as follows:

1. Building Use Rights are the right to construct and own buildings on land that is not one's own, with a maximum period of 30 years.
2. At the request of the right holder and taking into account the needs and condition of the buildings, the period referred to in paragraph 1 may be extended for a maximum period of 20 years.
3. Building Use Rights can be transferred and transferred to other parties. It can be seen that what is meant by Building Use Rights in the UUPA is land rights given to someone to construct and own a building on that land for a period of 30 years and can be extended for 20 years.

Apart from that, if we look at the formulation of Article 25 paragraph (2) of Government Regulation Number 40 of 1996, which determines that: "After the term of the Building Use Rights and extension as intended in paragraph (1) ends, the former right holder can be given a renewal Building Use Rights on the same land." Thus, the term of HGB is limited and is given a maximum period of 30 years and can be extended. UUPA and Government Regulation Number 40 of 1996 do not regulate how many times someone can extend or renew HGB. (Sri, EW and RM 2013).

If we look further at the provisions of the UUPA, the formulation of Article 38 of the UUPA regulates that:

1. Building Use Rights, including the conditions for granting them, as well as any transfer and deletion of these rights must be registered according to the provisions referred to in Article 19.
2. The registration referred to in paragraph 1 is a strong means of proof regarding the deletion of the Building Use Rights and the legality of the transfer of said rights, except in the case of the rights being deleted because the term has expired.

Judging from the formulation of Article 36 paragraph (1) UUPA, which determines that: Those who can have building use rights are: a. Indonesian citizens; b. legal entity established according to Indonesian law and domiciled in Indonesia. Thus, it can be seen that the law allows ownership of HGB by legal entities established according to the legal provisions of the Republic of Indonesia and domiciled in Indonesia (Muljadi and Widjaya, 2004: 190). Namely, these two elements are two elements that together must exist. This means that legal entities that are established according to Indonesian law but are not domiciled in Indonesia cannot have HGB.

If the subject of the Building Use Rights does not meet the requirements as an Indonesian citizen or Indonesian legal entity, then within 1 year he is obliged to release or transfer the Building Use Rights to another party who meets the requirements. If this is not done, then the Building Use Rights are extinguished by law and the land becomes state land.

Any explanation regarding HPL and HGB mentioned above is of course for the people of Petisah Tengah Village, Medan Petisah District, Medan City, they will not understand because for them when they buy housing or office houses (Ruko) from HPL holders it is HGB status with a specified period of time. in UUPA. In Article 26 paragraph (2) of Government Regulation Number 40 of 1996 concerning Business Use Rights, Building Use Rights and Land Use Rights, it is stated that in: „Building Use Rights on land, management rights are extended or renewed at the request of the Building Use Rights holder. after obtaining approval from the Management Rights holder."

Building use rights are above the management rights granted by the holder of the management rights by fulfilling the conditions determined by statutory regulations and fulfilling achievements and good faith, for the holder as long as they are still cultivated and utilized continuously, thereby proving legal ownership of the building. obtaining building use rights over management rights and having proof of rights to the land, namely a land certificate, then these rights must be protected and given legal certainty in a juridical manner. (Chandra, S. 2006)

This transfer of building use rights over management rights can result in misunderstandings by some people who think that it is not just the rights to the building that are being transferred but also the land (management rights) because in the deed that is made there is no mention or explanation that the rights The use of the building being bought and sold is the right to use the building above the management right, the transfer of which is only limited to the right to the building and not the land.

Legal protection is needed for buyers and holders of management rights so that the transfer of building use rights over management rights does not harm the parties concerned.

In extending the building use rights beyond the management rights, they will be registered or re-applied to the Medan City Land Office, with a recommendation from the management rights holder. However, the management right holder can only grant it for a period of 5 years, whereas the Medan City Land Office does not recognize HGB with a 5 (five) year period, so this causes the request for an extension of the HGB above the management right to be rejected by the Medan City Land Office because it does not in accordance with UUPA. (Anggreini, D. 2020)

The first HGB holder, namely the company that received HGB (above HPL) approval from the Medan City Government, should explain the status of the land, whether the HGB is purely from State Land or HGB above HPL so as not to harm the buyer. Then, it must be explained whether the sale and purchase of HGB on HPL land automatically also transfers the right to the HPL part to the buyer's HGB? These provisions also have to be explained by the Notary/Land Deed Official during the sale and purchase transaction because not all buyers understand the sale and purchase of land with HPL status. As a result, the residents of Central Petisah do not receive legal protection and certainty at all.

This public concern was revealed when representatives of residents of Jalan Nibung I and II, Jalan Orion, Jalan Rotan, Jalan Nibung Raya, Jalan Srikandi, Petisah Tengah Subdistrict, Medan Petisah conveyed complaints which were accommodated by Commission A of the Medan DPRD. Darmin, resident coordinator, said that the issuance of the HGB extension was really needed. "We have tried to go directly to the mayor's office. "The Medan City Government has never made a recommendation to extend the HGB, which has rental rights," he said in a meeting attended by the Head of the Medan City BPN and related Medan City Government agencies.

Another resident, Martin Sihombing, said that HGB over Land Management Rights (HPL) owned by residents is not the same as rental rights. Residents buy from PT Saat Jaya Utama. There is also no mention in the agreement that the land is leased. "There was no previous agreement, if it ends and at any time the government takes it, we are obliged to hand it over to the government. So this is not a rental." The HGB issue, he explained, is related to investment. HGB can be mortgaged to a bank, while rental agreements cannot be used to borrow from a bank.

Head of the Equipment and Services Procurement Section of the Medan City Regional Secretariat, Agus Suriyono, said that previously HGB was regulated through PP 40/1996 concerning Cultivation Rights, HGB and Use Rights over Land. However, now there is PP Number 27/2014 concerning Management of State/Regional Property. In PP 27/2014, it is stated that the use of state/regional property is in the form of rental, lending and use, cooperation in utilization, construction for transfer or construction for use and cooperation in providing infrastructure. "The Medan City Government can only implement this regulation using a rental system, a maximum of 5 years. "If you borrow and use it is with a government agency, while cooperation on utilization, construction for handover or building for use must go through a tender,".

Head of the Medan City BPN Office, Saiful, was also unable to provide much of an opinion on the new regulations. He admitted that his party was also a 'victim' of the new regulation, because it also held HGB above HPL, suggesting that a judicial review be carried out on the regulation in question. "My input is that the public submits a judicial review of this regulation," he said. The meeting chaired by the Chairman of Commission A DPRD Medan Sabar Samsurya Sitepu and attended by commission members, Landen Marbun, Rajuddin Sagala, Zulkarnain Yusuf, Robby Barus, concluded that the problems faced by the community would be consulted with the Ministry of Agrarian Affairs and the Ministry of Home Affairs. "We convey this to government, so that when making regulations the government must look at the facts and must coordinate across ministries," said Landen. Meanwhile, Sabar believes that this problem is due to a lack of socialization from the central government regarding the new regulations. (Pos, S. 2017)

The results of interviews by researchers from several residents acknowledged the explanation from the Medan Land Office that they were given a recommendation to extend the HGB for only 5 years. In fact, the HGB extension period in the UUPA is not set at 5 years but at 20 years. As a result, the status of HGB ownership belonging to Central Petisah residents is increasingly unclear.

The City Government itself has not been able to provide a legal explanation regarding the applications of Central Petisah residents which have not been processed to date. Meanwhile, public complaints to the Medan City DPRD yielded no results. The delay in the process of extending residents'



HGB since 2015 was due to the implementation of Minister of Home Affairs Regulation Number 19 of 2016 concerning Guidelines for Management of Regional Property jo. Government Regulation Number 27 of 2014 concerning Guidelines for Management of State/Regional Property, which in these two regulations does not state the existence of HGB as a use of Regional Assets. Article 68 paragraph 5 of the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 19 of 2016 concerning Guidelines for Management of Regionally Owned Property states that: "Other parties operating regionally owned goods are prohibited from transferring the operation of regionally owned goods to other parties and/or transferring regionally owned goods. concerned."

### **CONCLUSION**

This research reveals that although there is a clear regulatory framework, its implementation in the field often experiences problems, especially in the policy transition from HGB to a five-year rental system. This causes significant social and economic impacts for citizens, creating legal and financial uncertainty that limits their ability to access capital and run businesses. Deficiencies in communication and coordination between PEMKO Medan, the Land Office, and residents demonstrate the need for a more transparent and participatory process in decision-making regarding land and property management.

To overcome this problem, it is necessary to increase dialogue between the government and citizens and review policies governing land and building rights. Establishing regular community forums involving representatives from both parties could be a good first step. In addition, an in-depth understanding of the relevant legal framework and prioritizing people's interests in decision-making is critical to achieving fair and sustainable conflict resolution. This will help not only in resolving the problems on Jalan Nibung Raya but also in managing similar land conflicts in the future.

### **THANK-YOU NOTE**

Thank you to the parties who have supported the implementation of this research, especially Panca Budi Development University – Medan.

### **BIBLIOGRAPHY**

#### **Books and Journals:**

- Adrian Sutedi (2018). *Transfer of Land Rights and Registration*. Jakarta: Sinar Graphics.
- Boedi, Harsono (1999). *Indonesian Agrarian Law History of the Establishment of the Basic Agrarian Law*. Jakarta: Bridge.
- Chandra, S. (2006). *Legal Protection for Land Rights Certificate Holders*. Jakarta: Bridge.
- Fachrurrozy, M., Sidi, R., & Zarzani, TR (2023). Legal Study of Online Transportation Companies' Responsibilities for Consumer Safety. *Legality: A Law Journal*, 15(1), 150-157. DOI: 10.33087/legalitas.v15i1.383
- Hapsari, RT, & Wijaya, BK (2020). Control of Land Through Cultivation Rights by State-Owned Enterprises. *Journal of Law and Policy*, 33(2), 227-242.
- Harsono, Boedi. (2005). *Indonesian Agrarian Law: History of the Formation of UUPA, Its Content and Implementation*. Jakarta: Bridge.
- Mardianto, D., & Rahayu, ES (2018). Dilemma of Implementing Building Use Rights as an Instrument of Land Control for Corporations. *Journal of Law and Development*, 48(3), 391-416.

- Putri, KM, & Adi, PR (2019). Building Use Rights in the Perspective of Land Law in Indonesia. *Journal of Legal Studies*, 27(1), 28-40.
- Setiawan, I. (2017). Evaluation of Government Policy in Granting Cultivation Rights to State Land. *Journal of Policy Analysis*, 14(2), 131-146.
- Sidi, R. (2019). Corruption Prevention Efforts with Non Penal Policy. *British International of Humanities and Social Sciences (BIOHS) Journal*, 1(1), 53-63.
- Sri, EW, & RM (2013). *Land Rights and Their Transfer*. Yogyakarta: Liberty.
- Sulistyanto, B. (2017). *Dynamics of Land and Land Law in Indonesia*. Surabaya: Erlangga Publishers.
- Sulistyanto, B. (2017). *Dynamics of Land and Land Law in Indonesia*. Surabaya: Erlangga Publishers.
- Sumardjono, MSW (2009). *Land Policy: Between Regulation and Implementation*. Yogyakarta: Student Library.
- Sutaryo, W. (2017). Land Tenure Conflicts in Urban Areas: Case Studies in Several Cities in Java. *Journal of Soil and Environmental Science*, 17(2), 89-97.
- Sutaryo, W. (2017). Land Tenure Conflicts in Urban Areas: Case Studies in Several Cities in Java. *Journal of Soil and Environmental Science*, 17(2), 89-97.
- Main, I. (2020). Legal Protection for Debtors (Customers) in Unsecured Credit Agreements Judging from Law Number 8 of 1999 concerning Consumer Protection. *Islamic Circle*, 1(2). <https://doi.org/10.56874/islamiccircle.v1i2.288>
- Utama, I., & Adriani, EN (2022). Legal Politics in Combating Cyber Crime. *Judge: Law Journal*, 3(01), 1-8.
- Utama, I., Siregar, MA, & Rambe, MJ (2022). Problems with the Authority to Settle Land Disputes in the Form of Certificates of Ownership Rights (SHM) on Land (Study at the Medan State Administrative Court). *Center for Research and Community Service - Abdurachman Saleh University Situbondo*, 6(1), JULI.
- Yasmirah, Y., Halawa, F., Tandiono, S., & Zarzani, TR (2021). Criminal Acts of Corruption Procurement of Goods and Services of Local Governments through Electronic Procurement Services (LPSE). *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 4(3), 4678-4684.
- Yasmirah, Y., Halawa, F., Tandiono, S., & Zarzani, TR (2021). Criminal Acts of Corruption Procurement of Goods and Services of Local Governments through Electronic Procurement Services (LPSE). *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 4(3), 4678-4684.
- Zainuddin Ali (2014). *Legal Research Methods*. Jakarta: Sinar Graphics.
- Legislation:**
- Basic Agrarian Law no. 5 of 1960.
- UU no. 2 of 2012 concerning Land Acquisition for Development in the Public Interest.
- UU no. 2 of 2012 concerning Land Acquisition for Development in the Public Interest, Article 5.
- Basic Agrarian Law no. 5 of 1960; Republic of Indonesia Government Regulation Number 40 of 1996.
- Government Regulation (PP) no. 40 of 1996, Articles 15 and 16.

Republic of Indonesia Government Regulation Number 40 of 1996 concerning Business Use Rights, Building Use Rights and Land Use Rights, Article 22.

**Others (Online Articles and News):**

Sib Daily: "HGB extension is only 5 years, Medan Petisah residents feel lied to".

Metro OneNews: "Appreciating Residents' Complaints Regarding HGU Certificates, the Indonesian Presidential Staff Office Went to Petisah Medan".

Medan City Government Portal: "Residents of Ex-HGB Holders on the Petisah Tengah HPL Land Can Renew Cooperation in the Form of Lease".